

ASSEMBLY BILL

No. 1237

Introduced by Assembly Member Salinas

February 21, 2003

An act to add Section 399.5 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1237, as introduced, Salinas. Electrical corporations: nonprofit organization energy efficiency revolving loans.

Under the Public Utilities Act, the Public Utilities Commission (commission) requires electrical corporations to identify a separate rate component or Public Goods Charge (PGC) to fund programs that enhance system reliability and provide in-state benefits through cost-effective energy efficiency and conservation activities, public interest research and development, and development of renewable resources technology. The PGC for electrical corporations is a nonbypassable element of local distribution service and collected on the basis of usage. Existing law requires the commission through January 1, 2012, to order certain electrical corporations to collect specified amounts, adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as part of the PGC, to fund cost-effective energy efficiency and conservation activities. The commission has oversight over the implementation of the electrical corporation programs to fund cost-effective energy efficiency and conservation activities. Pursuant to this authority, the commission has ordered the electrical corporations to file program implementation plans.

This bill would require that a program implementation plan filed by an electrical corporation with the commission, and any such plan approved by the commission, for the funding of the energy efficiency and conservation activities, include a revolving direct loan program for energy efficiency improvements at facilities located in California that are owned and operated by nonprofit organizations, as defined. Because a violation of the Public Utilities Act or an order of the commission is a crime under existing law, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares each of the
2 following:

3 (a) It is essential to the health and welfare of the people of
4 California to encourage nonprofit organizations to reduce their
5 energy consumption, thereby saving money and resources which
6 they can use in serving the educational and charitable needs of the
7 state.

8 (b) It is in the public interest to establish an energy efficiency
9 revolving loan program to increase the availability, and to reduce
10 the cost, of financing for nonprofit organizations that seek to
11 improve the energy efficiency of their facilities and the equipment
12 used at those facilities.

13 SEC. 2. Section 399.5 is added to the Public Utilities Code, to
14 read:

15 399.5. (a) Any program implementation plan filed by an
16 electrical corporation with the commission for purposes of this
17 article, and any such plan approved by the commission, for the
18 funding of energy efficiency and conservation activities, shall
19 include a revolving direct loan program for energy efficiency



1 improvements at facilities located in California that are owned and
2 operated by nonprofit organizations.

3 (b) As used in this section, “nonprofit organizations” means
4 tax-exempt charitable organizations operating pursuant to Section
5 501(c)(3) (26 U.S.C. Sec. 501(c)(3)) of the federal Internal
6 Revenue Code or an organization found by the commission to be
7 a nonprofit organization.

8 SEC. 3. No reimbursement is required by this act pursuant to
9 Section 6 of Article XIII B of the California Constitution because
10 the only costs that may be incurred by a local agency or school
11 district will be incurred because this act creates a new crime or
12 infraction, eliminates a crime or infraction, or changes the penalty
13 for a crime or infraction, within the meaning of Section 17556 of
14 the Government Code, or changes the definition of a crime within
15 the meaning of Section 6 of Article XIII B of the California
16 Constitution.

